

backed securities—by the billions? Monthly, by the billions never existed before in the history of this country—an expanding part of the balance sheet today.

□ 1515

Mr. Speaker, there are only so many tools that the Federal Reserve has to use in order to try to keep this economy afloat, each one of these tools never approved by the Congress, never approved by the President, never approved by the American people; and yet, the Federal Reserve's balance sheet is now larger than the entire budget of the United States of America. Isn't it time we have this conversation?

Chairman RYAN says: Isn't this monetizing the debt?

Chairman Ben Bernanke says: No, this is a temporary measure. Balance sheet levels will return to level.

When were they going to return to normal? Well, that comment was in February of 2011. Since that time, we have seen another 100 percent increase in the size of that balance sheet.

Mr. Speaker, I am not saying that the Federal Reserve is wrong. I have some grave concerns. We have asked the question: How is it you are going to unwind these giant balance sheets?

The answer is: I don't know. We have never seen it done in the entire history of the United States of America, but don't worry about it, it is going to be fine.

It is a frightening thing. Here we are, in the longest recession of my lifetime, the most stagnant growth coming out of a recession, that we have ever seen coming out of a recession in the history of this country, the Federal Reserve pulling all of the levers it knows how to pull, Congress pulling all of the levers it knows how to pull, the balance sheet getting larger, unwinding it getting harder.

I want you to open up The Wall Street Journal the next time you have a chance, Mr. Speaker, and keep an eye on this dollar index. I can't say it too strongly, that if I tried to pass a 5 percent tax on everything that everybody has, everybody earns, everybody owns, I would be laughed right out of this Chamber; yet through monetary policy, we could devalue all of those exact things by that exact amount, and nobody would even know.

There would be no record of debate here in this Chamber. There would be no record of a vote in the Senate. There would be no bill that the President signs or vetoes. It would happen with the stroke of a pen with the Federal Reserve Governors, and America would be none the wiser. Every day, you can find it. Track that dollar index, Mr. Speaker.

What happens when you start to devalue money, Mr. Speaker, is you start running into inflation, and we see that. I talked earlier about what happened in those Carter years before President Reagan came in.

We were looking at annual inflation way up above 12 percent—back after World War II, again, printing a lot of money, borrowing a lot of money, economic turmoil, even though people were at work, maximum employment, but inflation rate was up about 18 percent, but here we go. This chart is from 1946 out to 2014.

Folks ask: Rob, why are you so worried? Isn't inflation kind of low today?

Inflation is incredibly low today. Think about that. We have pumped all of this new money into the economy. We have all this additional liquidity. We have all this cash parked on the sidelines, and yet inflation is incredibly low, but ticking up.

The question isn't what is inflation today, Mr. Speaker. The question is: When inflation starts to move, will we be able to control it?

We have spent so many of our tools trying to stimulate the economy, and again, we can question whether or not that was the intent of the Federal Reserve Act when it was passed, to have all of these new levers created and pulled in a time of economic crisis, but they have been created, and they have been pulled; and so when inflation comes, will we still have any tools in the toolbox to control it?

This is not just my fear, Mr. Speaker. You can go this week to The Wall Street Journal. This is June 9:

Inflation is rising in the United States and could become a serious problem sooner than the Federal Reserve and many others now recognize.

Going to the end of that article:

The key to the future is how the Fed will respond when prices steadily rise above its 2 percent target rate, while the overall unemployment rate is still relatively high. A misinterpretation of labor-market slack and a failure to create a positive real Federal funds rate could put the economy on a path of rapidly rising inflation.

In the old days, the Federal Reserve, with all of the power it has and all of the levers it has to pull, all of the tools in its toolbox, focused on inflation and interest rates and employment; but with all of those levers having been pulled, with inflation on the rise, with unemployment stubbornly high, and with interest rates stubbornly low, what levers are left to pull when the next crisis comes?

Mr. Speaker, it is not a question of if the next crisis comes, it is a question of when the next crisis comes, and when we do these extraordinary things to solve today's crisis, we put America at risk for tomorrow's crisis.

I do not fault those folks who are trying to make things better, but I do fault us as an institution if we allow the prosperity of tomorrow to be traded away to treat the ills of today.

Mr. Speaker, the Federal Reserve Act, commit it to your reading. We will be down here again because this is an issue that this Chamber must exercise our article I controls.

I yield back the balance of my time.

ADJOURNMENT

Mr. WOODALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 21 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, June 13, 2014, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XIV, executive communications were taken from the Speaker's table and referred as follows:

5942. A letter from the Associate Administrator, Department of Agriculture, transmitting the Department's final rule — Milk in the Appalachian, Florida, and Southeast Marketing Areas; Order Amending the Orders [Doc. No.: AMS-DA-07-0059; AO-388-A22, AO-356-A43 and AO-366-A51; DA-07-03] received May 15, 2014, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5943. A letter from the Associate Administrator, Department of Agriculture, transmitting the Department's final rule — Kiwifruit Grown in California; Decreased Assessment Rate [Doc. No. AMS-FV-13-0071; FV13-920-2 FIR] received May 15, 2014, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5944. A letter from the PRAO Branch Chief, Department of Agriculture, transmitting the Department's final rule — Supplemental Nutrition Assistance Program: Trafficking Controls and Fraud Investigations [FNS-2012-0028] (RIN: 0584-AE26) received May 15, 2014, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5945. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Labeling of Pesticide Products and Devices for Export [EPA-HQ-OPP-2009-0607; FRL-9909-82] (RIN: 2070-AJ53) received April 29, 2014, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

5946. A letter from the Acting Chief Counsel, FEMA, Department of Homeland Security, transmitting the Department's final rule — Final Flood Elevation Determinations [Docket ID: FEMA-2014-0002] received May 13, 2014, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

5947. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Implementation Plans; Wisconsin; Nitrogen Oxide Combustion Turbine Alternative Control Requirements for the Milwaukee-Racine Former Nonattainment Area [EPA-R05-OAR-2014-0206; FRL-9908-93 Region-5] received April 29, 2014, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5948. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; Virginia; Control of Volatile Organic Compound Emissions from Mondelez Global LLC, Inc. — Richmond Bakery located in Henrico County, Virginia [EPA-R03-OAR-2014-0179; FRL-9910-04 Region-3] received April 29, 2014, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5949. A letter from the Director, Regulatory Management Division, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation